



December 18, 2009

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20511

Re: Proposed Changes to Closed-End Mortgage Rules (Docket No. R-1366)

Dear Sir or Madam:

Thank you for the opportunity to comment on the proposed rule amending Regulation Z with respect to closed-end mortgages. I am a Loan Officer working in Fernley, NV where we have one of the highest foreclosure rates in the nation. I have seen first-hand how the subprime mortgage has affected my community negatively. However, I have some concerns with the proposals regarding loan originator compensation.

My employer is a small to mid-sized lending institution. My clients often present unique or complex situations that make the processing of their loan applications time consuming and difficult. I lend in a rural area and most of the borrowers are using Down Payment assistance which require more time. I spend a great-deal of time with the borrowers to ensure they understand the Down Payment Assistance programs they are using and that they understand the loan process. I encourage all of my first time homebuyers to attend a first time home buyer's course. The level of attention I am able to give my clients is often not available at national lending institutions where they focus solely on volume and production.

If the proposed rule prevents my employer from compensating for these more difficult loans, loan officers will be more inclined to use your cookie cutter conventional loans and steer away from the tougher ones. Unfortunately the consumer will be the one to pay the price by making it harder for them to obtain a mortgage loan.



If the proposed restrictions are adopted they should only apply to riskier loan products that created the subprime meltdown. The restrictions should not apply to the conventional prime loans as they do not create the same potential for abuse.

With the new SAFE act requirements for originators many of the people who got into our industry will be weeded out and the top of the line originators will be all that is left. I live in small town of about 20,000 people I love where I live and work and I want to have a reputation for helping people achieve the American dream of homeownership and I want to be known for getting people the house of their dreams while having their best interests at heart.

Thank you for your time.

Sincerely,

April Diehl  
Loan Officer

